

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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COUNTRY	East Germany	REPORT	
SUBJECT	1. Construction of MAN-Type Diesel Engines 2. Curtailment of Radio Factory Production in China 3. 1956 Budget for Heavy Machine Construction	DATE DISTR.	14 December 1955 25X1
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1. Construction of MAN-type Diesel Engines

According to Erich Apelt, Minister for Heavy Machine Construction, in a statement of 27 July 1955, it has been decided that MAN-type diesel engines are to be built on license in East Germany by VEB Dieselmotorenwerk Rostock. The sum of 45,000,000 DME for getting production underway will be available on 30 September 1955.

2. The DOC China Project

At the request of the Chinese representative, the radio factory project currently being worked on will be sharply curtailed. The reason for this, according to the representative, was that the money, which was limited in the first place, had to be used for other things.

3. 1956 Budget of the Ministry for Heavy Machine Construction

According to Wuensch, budget representative of the HV Energie und Kraftmaschinen (HV EKM), the Ministry for Heavy Machine Construction had planned on and had been granted 400,000,000 DME for 1956. However, the appropriation has been cut to 140,000,000 DME, of which HV EKM will get about 19,000,000 DME. The reduction was made after meetings with the union of mutual aid among the East Bloc countries. At which time it was decided that the construction of MAN-type diesel engines on license was unnecessary because Poland is to build 5,000 hp Fiat-type diesel engines, the first of which is already being tested. Wuensch stated that [] firms are able to learn much too much about production through license construction. However, there was strong sentiment in the industry to go ahead with the manufacture of the MAN-type diesel engines in order that they might be exported to increase the foreign currency balance. In the report on the 1956 budget which was issued on 23 August 1955, 4,100,000 DME was listed for VEB Dieselmotorenwerk Rostock for the building of the MAN-type diesel engines.

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